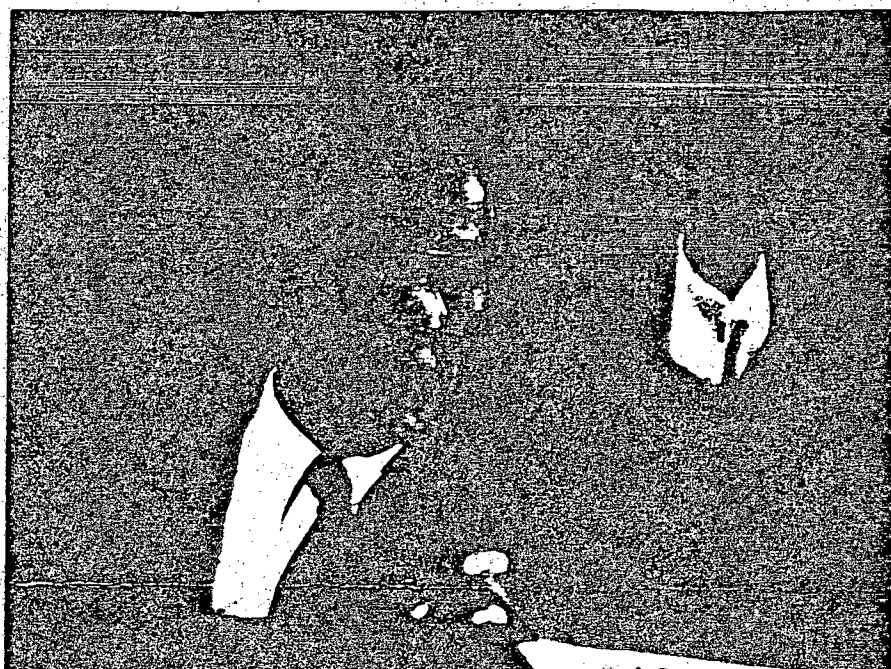


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The Vice President's front-runner status may be endangered by the Iran-Contra affair. A key aide, Donald Gregg, above right, knew of many developments. But he says he never told Bush

George Bush's Iran-Contra albatross

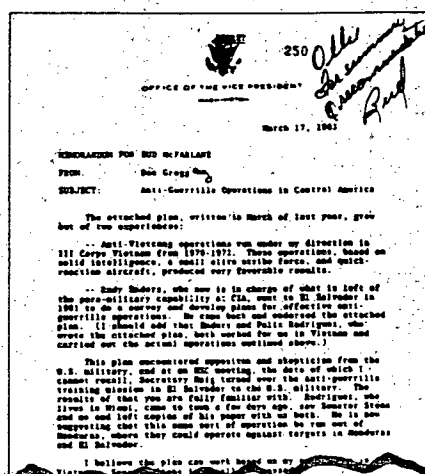
Disclosures and questions about the Vice President's role are beginning to hurt Ronald Reagan's heir apparent

■ The memorandum had come from Lt. Col. Oliver North's office safe. It was stamped SECRET, and in the upper-right-hand corner was a notation: "Ollie—For summary and recommendation—Bud." Was it just another of the many secret documents from the Iran-Contra affair? Not by a long shot. The memo was written by a top aide of George Bush's to Robert McFarlane, President Reagan's national-security adviser. Although there is no proof that Bush knew of the document or his aide's activities, the memo adds to the growing perception that the Vice President had to have known more than he has admitted about the most damaging scandal of the Reagan years.

The rising tide

It has been a rather rotten several weeks for George Bush. He has consistently maintained that he didn't know that arms were being traded for hostages until Senator David Durenberger briefed him in December, 1986. Recent disclosures undermine that contention, and they place Bush, at a key moment in his race for the Presidency, in an extremely awkward and potentially dangerous situation.

For weeks now, the evidence has been mounting that Bush was well in-



From Ollie North's safe: The Gregg memo to McFarlane

formed about the arms-for-hostages gambit, almost from the very beginning. Last month, a computer message written by then National Security Adviser John Poindexter surfaced all of a sudden, and in it Bush was described as "solid" in his support for the arms-for-hostages deal. Just last week, the *Washington Post* disclosed new details of Bush's regular attendance at other White House meetings where the Iran arms sales were discussed. CNN, meanwhile, reported that Bush knew in advance about McFarlane's May, 1986, trip to Teheran to negotiate with the ayatollahs.

As if that weren't enough, *U.S. News*

has obtained a copy of the March 17, 1983, memorandum found in North's safe by FBI agents. Investigators believe the memo may have marked the beginnings of the National Security Council staff's involvement in directing paramilitary operations in Central America. This NSC activity later resulted in the White House overseeing the clandestine resupply of arms to the Contras—an operational involvement undertaken to skirt congressional prohibitions on such assistance by removing the Central Intelligence Agency and the Defense Department from the direct line of responsibility.

The memo is intriguing not just for whatever political implications it may come to have. It was written by Donald Gregg, Bush's national-security aide, after he met with Felix Rodriguez, a Cuban-born former CIA official who worked under Gregg during the Vietnam War. Rodriguez dropped off a military plan—dubbed the "Pink Team" plan—to launch mobile air strikes with "minimum U.S. participation" at leftist rebels in Central America. Though Rodriguez wrote that the plan "will be ideal for the pacification effort in El Salvador and Guatemala," an attached map showed concentric circles drawn over shaded strike zones that also included Honduras and Nicaragua. One intelligence source who examined the plan said, "It is clear that targets inside Nicaragua were to be targeted." Gregg liked the plan so much

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he forwarded it to McFarlane and urged that it be adopted.

Gregg, it appears, was a pivotal player in Central American policy. He introduced Rodriguez to Bush and North. Through Gregg's efforts, Rodriguez came to direct counterinsurgency operations in El Salvador. Sometime in 1985, Rodriguez was recruited by North to become a key participant in the covert efforts to resupply the Contras. Gregg's earlier introduction of the two men, it seems, was beginning to pay some dividends. Gregg, in sworn testimony to Iran-Contra investigators and in two chronologies endorsed by the Vice President, failed to mention his earlier actions, as reflected in the SECRET March, 1983, memo. "One, I didn't think of it," Gregg told *U.S. News*. "[And] two, it had nothing to do with the questions being asked of me."

Question upon question

A larger question is whether Gregg knew of the efforts to resupply the Contras early on and informed Bush. An April 30, 1986, briefing memo prepared for Bush for a meeting with Rodriguez lists the "resupply of the Contras" for discussion, yet Bush and Gregg both say the subject never came up. Did Gregg know about the diversion of Iran arms-sale profits to the Contras then? In August, 1986, Gregg met with Rodriguez, who told him about the resupply operation. But Gregg's handwritten notes also seem to indicate that the subject of the diversion came up. "Felix . . . stated a swap of weapons for dollars was arranged to get aid for the Contras," the note said. Gregg insists that this did not refer to the diversion. And, again, he says he never informed Bush of the subject of his talk with Rodriguez. "Frankly," he said, "I did not think it was vice-presidential material."

Is it possible that Bush knew nothing at all about the Contra-resupply efforts or the diversion? That's what the Vice President says. And for now there is no hard evidence to the contrary. In short, Bush says he was never privy to the step-by-step maneuvering in the Iran-Contra shenanigans.

But unfortunately for Bush, that may not be the end of it. As a political candidate in an increasingly close race with Senate Minority Leader Bob Dole, Bush may find himself at the very beginning of a long and damaging fight—especially since the lesser candidates have nothing to lose by taking shots at him. And if new disclosures keep tumbling out about his knowledge of the Iran-Contra affair, it may well prove to be a fight Bush cannot win.

by Steven Emerson

With Bush down, Dole hopes to go the distance

A front-runner by default?

These are perilous times for Bob Dole's presidential effort. With less than one month before the Iowa caucuses, statewide polls show the senator consistently—and substantially—ahead of George Bush. The Vice President's campaign of invincibility is being battered by nagging questions about his role in the embarrassing Iran-Contra affair. And suddenly, the Dole campaign is skulking to avoid the heightened expectations of its new favored-to-win status—a pinnacle every candidate feverishly works to



First the Bush dis-
Within the fraction-
contingent, the deb-
raged over the best
handle the Vice Pre-
Some argued, as one
er put it, that "this

has got to be joined, and we
wait for God or the other
dates to do it." Others coun-
against a gloves-off approach
"stay cool" school won. Pe-
because of his increasing lead
Iowa polls, Dole avoided at-
Bush directly in Des Moines.
turned out, he didn't have to
ers did the dirty work—but
turned back the assault and se-
to score with the GOP and
when he said: "I don't think an-
is going to ride to the White H-
by attacking the Vice Preside-
President over Iran."

It remains to be seen wh-
Dole's low-key, populist str-
will do the trick. But even
wins convincingly in Iowa,
campaign is divided between
an staffers and those brought
the new campaign chief, for-
Labor Secretary William Br-
Bickering was rife over Dole's
cision to back the INF treaty
much initial hedging, for exam-
and some cite Brock's lack of
tional campaign experience, e-
cially when he recently opted
10-day Caribbean vacation.

Some outside operatives e-
question whether the neces-
work is getting done: They re-
the Dole efforts to garner en-
ballot-qualifying signatures in N-
York, Texas and Pennsylvania
so lax the candidate may not s-
ceed. Dole's organization, s-
Bush Deputy Campaign Chair-
Rich Bond, is a "bunch of Potem-
villages." Such problems can fa-
of course, with money and mom-
tum from early wins. More wor-
some to many partisans is Dole's
perceived inability to tell Repub-
cans just why they should aband-
solid, dependable George. With-
a chasm of substantive differenc-
between the two men, the burden
proof could be overpowering.

by Gloria Borger with
Harrison Rainie in Des Moines



With Brock: The old Dole?

reach, but ardently disowns once
he gets there.

As the GOP brethren met in Des Moines last week to debate, there were the usual questions about how the newly anointed Iowa front-runner would perform. Would Dole be able to assault his competitor without resurrecting his old hatchetman image, or would Bush succeed in coaxing out what his aides call the "bad old Bob"? But beyond such momentary strategic quandaries lay some very real problems: Given Dole's uneven temperament, gauzy political vision and an increasingly disorganized national organization, could he win a campaign beyond the early states?